



Average Unit Production Price (AUPP)

- **Price for that Part of Production Cost within Contractor Control**
 - Includes ECPs, *Unamortized* Tooling/Test Equipment, Long Lead, Warranty, etc.
 - Calculated by Dividing Contract Cost by Number of Units (Inside-the-Beltway Cost)
- **Contractor - Proposed as Part of System Specification (i.e., Requirement)**

PRICE BECOMES AN INDEPENDENT VARIABLE DURING
DESIGN PHASE